Coordinating health & health care for a thriving Kansas

KHPA™

KANSAS HEALTH POLICY AUTHORITY

Overview of KHPA Activities Regarding Health Information Technology and Exchange (HIT/HIE)
Testimony to the Joint Committee on Health Policy Oversight
November 4, 2010

The American Recovery and Reinvestment Act of 2009 (ARRA) health information technology (HIT) provisions afford Kansas and Medicaid providers with an opportunity to leverage Federal funding of provider incentive payments, planning efforts, and Medicaid information systems development. These funds are for the development and "meaningful use" of electronic health record (EHR) technology and health information exchange (HIE) to improve patient care throughout the State.

The Kansas Health Policy Authority (KHPA), as the designated State Medicaid Agency, will develop and submit to the Center for Medicare and Medicaid Services (CMS) a Medicaid HIT vision document, referred to as the State Medicaid HIT Plan (SMHP), describing the role of the Medicaid program in the state's overall plan to advance and achieve meaningful use of electronic health information.

KHPA participated actively in the development of the statewide HIE plan, i.e., the "Strategic and Operational Plan," which is under review by the Federal government. The statewide HIE plan has now been handed to the recently-convened Kansas Health Information Exchange (KHIE) for implementation. The KHIE is a public-private partnership established by Executive Order and charged with overseeing federally-sanctioned HIE efforts in the state. KHPA sits on the KHIE Board of Directors and will work with the state HIE coordinator, the KHIE, and a wide range of Medicaid stakeholders to complete and then implement the SMHP.

American Recovery and Reinvestment Act (ARRA) HIT Requirements for States:

Included in ARRA is **$19.2 Billion** that is intended to be used to increase the use of Electronic Health Records **(EHR)** by physicians and hospitals. Funding is designated for both providers (in the form of incentive payments for those who have successfully implemented HIT and have used HIE meaningfully) and for states (in the form of planning and implementation grants). These provisions of the bill are called the Health Information Technology for Economic and Clinical Health Act, or HITECH Act.

Determining Policies and Standards

Located within the Department of HHS is the Office of the National Coordinator for Health Information Technology (ONCHIT). Created by Executive Order in 2004, it was legislatively mandated in the ARRA. Through the HITECH Act, the ONC was to adopt an initial set of HIT standards, and create an incentive program for meaningful users of EHR certified technology.

Final Rule for Meaningful Use

Under the HITECH Act of 2009, eligible health care professionals and hospitals can qualify for Medicare and

Medicaid incentive payments when they adopt certified EHR technology and use it to achieve specified objectives. One of the two regulations, announced by ONC on July 13, 2010, defines the above "meaningful use" objectives that providers must meet to qualify for the bonus payments. The other regulation identifies the technical capabilities required for certified EHR technology. See details regarding the three phases of meaningful use below.

Consideration of Medicaid in HITECH

The provisions in HITECH, and the federal guidance that has been issued since the bill was passed, envision an important role for the Medicaid program in state-level planning and implementation. Requirements of the ARRA State Grants to Promote Health Information Technology include:

- States will be expected to use their authority, programs, and resources to:
  - Convene health care stakeholders to ensure trust in and support for a statewide approach to HIE.
  - Coordinate an integrated approach with Medicaid and state public health programs to enable information exchange and support monitoring of provider participation in HIE as required for Medicaid meaningful use incentives.

  .
- "…recipients are required to submit, as part of the strategic or operational plan to ONC, a plan that indicates how recipients will align with the State Medicaid HIT Plan (SMHP). The recipient must also confirm that the State Medicaid Director (SMD) approves Medicaid content in the HIE Strategic and Operational Plans as a required sign-off. Additionally, recipients are required to submit as part of the strategic or operational plan to ONC a plan that indicates how recipients will align with and leverage as appropriate the Public Health agency's existing initiatives and future plans."

CMS' Phased Approach to Meaningful Use of electronic health information:

CMS has identified three sets of thresholds in a phased approach to the nationwide adoption and meaningful use of EHRs and HIE:

- Stage 1: Capture Data in a Coded Format (2011)

  The Stage 1 meaningful use criteria focus on:
  - Electronically capturing health information in a coded format in the clinical setting;
  - Using that information to track key clinical conditions and communicating that information for care coordination purposes in structured format whenever feasible; and,
  - Implementing clinical decision support tools to facilitate disease and medication management, and reporting clinical quality measures and public health information.

- Stage 2: Expand upon the Stage 1 Criteria (2012)

  Stage 2 expands upon the Stage 1 criteria in the areas of disease management, clinical decision support, medication management, support for patient access to their health information, transitions in care, quality measurement and research, and bi-directional communication with public health agencies.

- Stage 3: Achieve Improvements in Quality, Safety and Efficiency (Timeframe not yet defined)

KHPA Goals for HIT and HIE:

KHPA's overall mission in the area of HIT and HIE is to promote and achieve widespread adoption and meaningful use of HIT, with an emphasis on the use of this technology to exchange health information, improve health care delivery, and implement a medical home for all Medicaid recipients, using Kansas Medicaid providers as an effective way to encourage HIT adoption and use for these purposes. Because the Kansas Medicaid program currently covers nearly 14.9% of the Kansas population, and will grow significantly following implementation of coverage expansions in 2014, Medicaid can play a key role in supporting widespread HIT adoption in Kansas. The agency's initial emphasis in this area is to support rapid adoption of HIT by providers through the federally-funded Medicaid incentive payment program, which provides

core Medicaid providers as much as $67,500 over six years . [See ATTACHMENT 1 for a schedule of provider incentives for high-volume Medicaid providers:]

A second emphasis for KHPA is to ensure that health information technology is used to benefit Medicaid beneficiaries. To qualify for federally-funded Medicaid incentive funds, federal regulations require providers to demonstrate they are making "meaningful use" of health information technology. One of the shortcomings in this standard is that it only requires compliance for a portion of the provider's total patient base. In most medical practices, Medicaid beneficiaries make up only a small fraction of the provider's business, so providers need not achieve meaningful use of electronic health information on their behalf in order to receive Medicaid provider incentives. Of course, we're confident that providers will make every effort to treat all of their patients with the same high standards, but Medicaid beneficiaries face obstacles that could leave them less well-served by HIT and HIE. Medicaid beneficiaries are least likely to have a stable relationship with a provider, and are often most in need of the benefits that HIT and HIE have to offer, such as care management and coordination across multiple providers. As noted above, the federal guidelines anticipate full deployment of HIT and HIE as a staged process over a period of years. In the later stages, there will be a need for greater integration between Medicaid and the state information exchange in order to ensure that all Kansans receive the expected benefits.

In addition to the partners and stakeholders included in the Statewide HIE effort, KHPA convened in August a Kansas HIT Medicaid Stakeholder Group to solicit input on the projects and Medicaid goals related to this effort. With input from the Kansas HIT Medicaid Stakeholder Group, KHPA has established the following HIE goals for the Medicaid program in Kansas:

- Utilize the HIE to measure meaningful use;
- Utilize the HIE to gather data needed to document and measure qualification for Medicaid incentive payments;
- Utilize the HIE as needed to gather data and fill gaps in order to compute quality measures and to help manage and coordinate care to ensure meaningful use for Medicaid beneficiaries – regardless of their connection to a primary care medical home; and,
- Utilize the HIE to facilitate a Medical Home and patient centered care for each individual.

Additional goals of the SMHP will include:

- Exploring opportunities to maximize care coordination through financial and non-financial incentives; and
- Identifying state agencies' investments that might be leveraged including Medicaid eligibility system, MMIS, and others in addition to Medicaid.

State Medicaid HIT Plan (SMHP):

The SMHP will build upon the statewide plan for HIE which was developed under the leadership of the Kansas Department of Health and Environment (KDHE).

The SMHP will be designed to enable Medicaid providers and KHPA to achieve the goals outlined above. CMS and the Office of the National Coordinator for Health Information Technology (ONC) will review the SMHP and determine what activities are eligible for the Recovery Act HIT Federal financial participation (FFP). The SMHP is to include, at a minimum:

- A Current Technology Landscape Assessment - the extent of HIT and HIE activities currently underway within the Medicaid enterprise (including but not limited to Electronic Health Record (EHR) technology adoption),
- A Vision of the State's Medicaid HIT Future,
- Specific Actions Necessary to Implement the Provider Incentive Payments Program in Kansas, and
- An HIT road map for Kansas Medicaid.

The development of the Kansas SMHP is divided into several components:

- **Provider survey and environmental scan.** The Provider Survey (which targets individual Medical Providers, hospitals, and other health care organizations) and the Environmental Scan (which targets larger external collaborative health systems and State systems) serve to gather the information needed for the development of the Current HIT Landscape Assessment, identified by CMS as the "As-Is" Environment. The survey and the scan will

be utilized both in the Medicaid and the larger statewide effort. An initial round of data gathering has been completed, and KHPA is currently working with its contractor and with providers to improve the process and to solicit additional participation by providers.

- **Development of SMHP through federally-funded contractors.** The SMHP will utilize the data from the Provider Survey and Environmental Scan to depict the HIT "As-is" state in Kansas, and to identify the steps necessary to implement agency goals. The SMHP will be developed through contract with a vendor using HITECH grant funds**.**
- **Identifying needed improvements in systems.** In order to efficiently administer and issue the Kansas Medicaid HIT provider incentive payments, the Kansas Medicaid Management Information System (MMIS) will require significant system enhancements. Kansas plans to join an effort led by the Pennsylvania Medicaid Agency and partner with twelve other states to develop the core MMIS enhancements and share the state portion of the costs. Design of these core enhancements is nearing completion. Further changes may be necessary in coming years to collect and use information for Medicaid beneficiaries to improve care coordination and achieve higher stages of meaningful use.

Timeline through June 2011:

The timeline below reflects activities necessary for the SMHP development and the issuance of provider incentive payments. The SMHP will then include a roadmap for further Kansas Medicaid HIT activities.

Task	Projected Completion Date
Provider Survey And Environmental Scan	
Initial Provider Survey Performed	8/27/2010
Preliminary Survey Analysis Completed	9/16/2010
Investigate Potential Extension of Provider Survey	11/5/2010
Environmental Scan Completed	8/10/2010
State Medicaid HIT Plan (SMHP)	
Release RFP for SMHP Plan Vendor	10/26/2010
Award SMHP Vendor Contract	12/21/2010
Submit SMHP to CMS/ONC for approval	3/11/2011*
Provider Incentive Payments	
Test and Install MMIS Enhancements	May 2011
Begin Issuing Provider Incentive Payments	June 2011*

* Kansas HIT provider incentive payments will be issued in calendar year 2011 after CMS approves the SMHP. June 2011 is the current estimate for initial payment distribution.

ATTACHMENT 1

Medicaid Incentive Payments						
	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
CY 2011	$21,250					
CY 2012	$8,500	$21,250				
CY 2013	$8,500	$8,500	$21,250			
CY 2014	$8,500	$8,500	$8,500	$21,250		
CY 2015	$8,500	$8,500	$8,500	$8,500	$21,250	
CY 2016	$8,500	$8,500	$8,500	$8,500	$8,500	$21,250
CY 2017		$8,500	$8,500	$8,500	$8,500	$8,500
CY 2018			$8,500	$8,500	$8,500	$8,500
CY 2019				$8,500	$8,500	$8,500
CY 2020					$8,500	$8,500
CY 2021						$8,500
TOTAL	$63,750	$63,750	$63,750	$63,750	$63,750	$63,750

- For calendar years 2011 to 2021, a Medicaid EP may receive up to 85% of the net average allowable costs for certified EHR technology, including support and training up to a maximum level. Incentive payments are available for up to six years.
- Incentive payments are made by the State based on the calendar year.
- An EP may receive a maximum of $21,250 for the first calendar year in which an incentive payment is received, with payments limited to $8,500 for the subsequent 5 years of program participation (*see table below*).
- Acute care hospitals with at least 10% Medicaid patient volume are eligible for incentive payments, as are children's hospitals of any patient volume. Designated State entities that promote the adoption of certified EHR technology are also eligible to receive incentive payments through arrangements with EPs under certain conditions.

SOURCE http://www.docehrtalk.org/funding-incentives/stimulus-funds –the RI Regional Exchange Center

Medicare Incentive Payments					
	CY 2011	CY 2012	CY 2013	CY2014	CY 2015 and later
CY 2011	$18,000				
CY 2012	$12,000	$18,000			
CY 2013	$8,000	$12,000	$15,000		
CY 2014	$4,000	$8,000	$12,000	$12,000	
CY 2015	$2,000	$4,000	$8,000	$8,000	$0
CY 2016		$2,000	$4,000	$4,000	$0
TOTAL	$44,000	$44,000	$39,000	$24,000	$0

Incentive Payment Amounts

- An EP can receive incentive payments for up to 5 years, with payments beginning as early as 2011. The maximum amount of total payments is $44,000.
- The incentive payment is equal to 75% of Medicare fee-for-service allowable charges for covered services furnished (ie, provided) by an EP in a payment year, subject to a maximum payment.
- For an early EHR adopter whose first payment year is 2011 or 2012, the maximum payment is $18,000 in the first year. Incentive payments decrease if first year is after 2012, with annual payment limits in the first, second, third, fourth and fifth years of $15,000, $12,000, $8,000, $4,000 and $2,000, respectively (s*ee table below*).
- There will be no payments to an EP who first becomes a meaningful EHR user in 2015 or 2016.
- There will be no payments for meaningful EHR use after 2016.
- Incentive payments are increased by 10% for an EP who predominantly furnishes services in a health professional shortage area.

SOURCE http://www.docehrtalk.org/funding-incentives/stimulus-funds –the RI Regional Exchange Center